

Committee	Dated:
Social Investment Board	28/02/2018
Subject: Progress Report	Public
Report of: Chief Grants Officer	For Information

Summary

This month's report introduces your guest, Michele Giddens who will speak to her work chairing the UK's National Advisory Board on Impact Investing. The report provides short updates on Midlands Together, key worker accommodation, Stepping Stones and the publication marking the first five years of the City's Social Investment Fund.

Recommendations:

Members are asked to:

- note the report.

Main Report

Today's speaker

1. I am delighted Michele Giddens has accepted our invitation to your February meeting, where she will speak to the work of the UK's National Advisory Board to the Global Social Impact Investment Steering Group (a body established by the G8). The City hosted the launch of the National Advisory Board's report "*The Rise of Impact: Five Steps Towards an Inclusive and Sustainable Economy*" in October 2017, and your Chairman Alderman Hewitt gave the welcome address. This [report](#) sets out the scale of the social and environmental challenges facing society today, as well as the potential of the impact economy to deliver solutions. The report includes recommendations to business leaders, investors and Government, arguing that all can play their part in making impact a mainstream part of capital markets. As Chair of the UK National Advisory Board, Michele worked with colleagues from Big Society Capital, Social Investment Business, Barclays, Hermes Investment Management, and the Big Lottery Fund, among others.
2. Michele is very highly regarded in the social investment community and eminently qualified to lead the thinking on impact. She co-founded and is a partner at [Bridges Fund Management](#), with a focus on strategy, investor relations, public relations and social impact assessment. Michele has over 15 years of international development and social finance experience. She was an Investment Officer with International Finance Corporation, the private sector financing arm of the World Bank Group in Eastern Europe in the early 1990's, before spending 8 years with Shorebank Corporation, which was one of the leading community development banks in the USA. There she ran small business lending programmes in Russia, Central and

Eastern Europe, advised on microfinance in Bangladesh, the Middle East and Mongolia and did research in the US community development finance sector. Michele has a BA Honours in politics, philosophy & economics from Oxford University and an MBA from Georgetown University, Washington, DC. She was an adviser to the Social Investment Task Force, Chair of the Community Development Finance Association (2003-2005) and is currently a Non-Executive Director on the board of CDC (the UK's Development Finance institution). Michele is also a member of the British Private Equity and Venture Capital Association Council, which is charged with the responsibility for the oversight of the strategy and management of the affairs of the BVCA.

First Five Years

3. At the December 2017 meeting you saw the draft of a report marking the fifth anniversary of the City of London Corporation's Social Investment Fund. Thank you for your feedback on the draft. A final version is included in today's papers, and we are working with colleagues in the Media Team as well as key sector partners to share the report widely. The report highlights the Fund's achievements in exceeding its target financial return whilst generating positive social benefit. Subject to your approval, the report will go to Court of Common Council in March.

Midlands Together

4. Our investment in Midlands Together has now redeemed, albeit at a small loss. A summary of learning from this investment is included in your non-public papers. Considerable effort went into exploring ways to sustain the benefits of this scheme for ex-offenders, and then to conclude matters fairly when it became clear that redemption was the most desirable course. Many organisations contributed to the process, but I would like to offer particular thanks to our investment partners at the Esmée Fairbairn and Montpelier Foundations as well as the Chief Executive of the Together Group for their roles in helping us reach this point.

Accommodation for key workers

5. We have discussed how your Fund might support the provision of subsidised accommodation for teachers at several meetings. Following Finance Committee's approval to provide funds for detailed feasibility study, in line with the Corporation's procurement practice we have attracted bids from several firms recommended to us by, among others, LandAid and UBS. I will provide a verbal update to your meeting on our chosen partner and a timetable to complete the feasibility study.

Stepping Stones Fund

6. The January 2018 meeting of the City Bridge Trust Committee approved an allocation of £500,000 towards a fifth round of the Stepping Stones Fund (the social investment readiness scheme for London's charities and social enterprises). So far, this programme has awarded £2.8m to 65 organisations to explore a range of trading, payment-by-results and property development opportunities. The scheme has run in partnership with UBS and involved several Livery Companies in the judging process. We are currently developing a follow-on finance facility for

Stepping Stones alumni, offering low-cost loans to those who are at the start of their enterprise journey. This will help strengthen the connections between our grant-making and social investment work, which is a central part of City Bridge Trust's *Bridging Divides* strategy for 2018-23.

Strategic Half Away Day

7. I will be working with the Chairman and Deputy Chairman to plan the Social Investment Board's strategic half away day on 30th May. Do please let me know if you have topics you would like to include during this meeting, as well as any guests or speakers you would like to invite.

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